

AN ACT

RELATING TO TEACHERS; ENACTING THE TEACHER LOAN REPAYMENT ACT; PROVIDING POWERS AND DUTIES; PROVIDING FOR CONTRACTS; CREATING A FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Teacher Loan Repayment Act".

Section 2. PURPOSE.--The purpose of the Teacher Loan Repayment Act is to increase the number of elementary and secondary teaching professionals in underserved areas of the state through an educational loan repayment program. The act provides for repayment of the principal and reasonable interest accrued on loans obtained from the federal government or a commercial lender for education purposes.

Section 3. DEFINITIONS.--As used in the Teacher Loan Repayment Act:

A. "commission" means the commission on higher education;

B. "loan" means a payment of money to defray the costs incidental to a teacher's education under a contract between the federal government or a commercial lender and a teacher that requires either repayment of principal and interest or repayment in services; and

C. "teacher" means an elementary or secondary

teacher who participates in the teacher loan repayment program.

Section 4. COMMISSION POWERS AND DUTIES--PARTICIPANT ELIGIBILITY--QUALIFICATIONS.--

A. The commission may grant an award to repay loans obtained for a teacher's educational expenses upon such terms and conditions as may be imposed by rules of the commission.

B. Applicants shall be licensed or certified to practice in New Mexico as an elementary or secondary teacher and shall be bona fide citizens and residents of the United States. Applicants shall declare their intent to teach within designated teacher shortage areas of the state.

C. The commission shall make a full and careful investigation of the ability and qualifications of each applicant to become a participant in the teacher loan repayment program.

D. The commission shall establish a teaching advisory committee to assist in selecting teachers, shortage areas and other related matters.

Section 5. DELEGATION OF DUTIES.--The commission may delegate to other agencies or contract for the performance of services required by the provisions of the Teacher Loan Repayment Act.

Section 6. AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

A. Prior to receiving an award, the teacher shall file with the commission an application and declaration of intent to teach in areas of New Mexico designated as underserved by the teaching advisory committee.

B. Award criteria shall provide that:

(1) amounts are dependent on the location of the teaching site and other characteristics that address the needs of the state;

(2) preference in making awards may be to teachers who have graduated from a New Mexico public post-secondary educational institution;

(3) recruitment awards may be made to eligible teachers who agree to relocate to an approved designated area;

(4) highest priority shall be given to teachers in practices in which teaching vacancies are difficult to fill or require special certification;

(5) award amounts may be modified based on available funding or other special circumstances; and

(6) an award shall not exceed the teacher's total educational indebtedness.

C. The following educational debts are not eligible for repayment pursuant to the Teacher Loan Repayment Act:

(1) amounts incurred as a result of

participation in state loan-for-service programs or other state programs whose purpose states that service be provided in exchange for financial assistance;

(2) amounts incurred as a result of participation in federal financial aid programs that allow for cancellation or forgiveness for service;

(3) scholarships that have a service component or obligation;

(4) personal loans from friends or relatives; and

(5) loans that exceed individual standard school expense levels.

D. The loan repayment award shall be evidenced by a contract between the teacher and the commission acting on behalf of the state. The contract shall provide for the payment by the state of a stated sum to the teacher or teacher's debtors and shall state the obligations of the teacher under the program, including minimum contract periods, reporting requirements and other policies established by the commission.

E. Participating teachers shall teach a complete year in order to receive credit for that year. The minimum credit for a year shall be established by the commission.

F. If a teacher does not comply with the terms of the contract, a penalty shall be assessed as determined by

rule of the commission, unless the commission finds acceptable extenuating circumstances for why the teacher cannot serve or comply with the terms of the contract. If the commission does not find acceptable extenuating circumstances for the teacher's failure to comply with the contract, the commission shall require immediate repayment plus the amount of the penalty.

G. The commission shall adopt rules to implement the provisions of this section. The rules may provide for the disbursement of loan repayment awards in annual or other periodic installments.

Section 7. CONTRACTS--ENFORCEMENT.--The general form of the contract required shall be prepared and approved by the attorney general and signed by the teacher and the designated representative of the commission on behalf of the state before payment of the loan. The commission is vested with full authority and power to sue in its own name for any balance due the state from any teacher on any such contract.

Section 8. FUND CREATED--METHOD OF PAYMENT.--The "teacher loan repayment fund" is created in the state treasury. All money appropriated for the teacher loan repayment program shall be credited to the fund, and all payments for penalties or repayment of awards received by the commission shall be credited to the fund or shall be deposited with the commission's administrative agent. All

payments for loan repayment awards shall be made upon vouchers signed by the designated representative of the commission and upon warrant issued by the secretary of finance and administration.

Section 9. CANCELLATION.--The commission may cancel any contract made between it and a teacher for reasonable cause deemed sufficient by the commission.

Section 10. REPORTS.--The commission shall make annual reports to the governor and to the legislature, prior to each regular session, of its activities; the loan repayment awards granted; the names and addresses of loan repayment award teachers; the names and locations of the teachers serving in designated teacher shortage areas; and the name of each loan repayment award teacher who is not serving in a designated teacher shortage area, the reason the teacher is not serving and the amount owed and paid on the loan and loan repayment award.

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